

INCLUDE

KNOWLEDGE PLATFORM ON INCLUSIVE DEVELOPMENT POLICIES

RESEARCH-POLICY DIALOGUE REPORT

'How to make development policies in Africa more inclusive?'

30 September 2016

Leiden, the Netherlands





Research-policy dialogue report
30 September 2016

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Highlights

An overarching point derived from the discussions on productive employment was that single, targeted interventions are often insufficient to bring about inclusive change and there are various constraints on realizing the presumed trickle-down effects for target groups. The project on feeder roads in Ethiopia found that while these roads do open up various market opportunities in rural areas, the benefits do not accrue to everyone in rural communities, partly due to a transport gap. In Uganda, another project found that providing credit to female entrepreneurs is not enough to create employment, due to cultural constraints, among other things. In Kenya and Nigeria, it was found that investment by multinational organizations (MNOs) is not sufficient to create productive employment, as host governments need to first create an enabling environment. In relation to the avocado sector in Kenya, it was found that group certification for smallholder avocado farmers is not a panacea to their problems regarding inclusion in the market, due to issues with the governance of cooperatives.

Partnerships are a useful tool for achieving more inclusive development, as found by the research projects on strategic actors. Each of the different partners (governments, the private sector, researchers and civil society organizations) have different interests and contributions to make. It is important to understand the interests of each partner for the partnership to be successful. As inclusiveness is not usually the main motivation for governments or the private sector to engage in a partnership, civil society organizations play a crucial role in representing the interests of marginalized groups. Issues with partners often have to do with commitment, trust in the other partners, and the engagement of the private sector. It is vital that the state creates an enabling environment that allows for private-sector-led initiatives. Relationships between partners have to be built carefully, especially when sensitive issues are at stake. And, when attempting to economically empower vulnerable groups, such as sex workers, a thorough understanding of their 'money logic' (which shapes how people relate to money) is important. In relation to agricultural partnerships, the composition of the partnership and the aims of the partners determine how much smallholders benefit in terms of increased decision-making and negotiating power.

Determining the cost effectiveness of social protection health-based interventions is far from straightforward, as found by the research projects on social protection. The various programmes and social protection policies can overlap, making it difficult to establish the cost effectiveness of a particular intervention. It is also difficult to recover the costs of insurance in an area where free healthcare is being implemented through other interventions. The implementation of social protection policies depends on political will, which is different in each country. It is important to note that other aspects of health systems, such as reaching the facility on time, may be more important to improving health outcomes than whether or not the health services are free or health insurance is available. There is a need to invest in infrastructure that promotes investment in, and return on, health and education, which means that social protection should be part of a broader overall government investment strategy.

Introduction

Partnerships and knowledge sharing are key to achieving more inclusive development in Africa. This was the main message of presentations made by the INCLUDE and NWO-WOTRO [research groups](#) during the INCLUDE research-policy dialogue on 'How to make development policies in Africa more inclusive?' At the dialogue, which was held on Friday 30 September at Leiden University in the Netherlands, the research groups presented their interim findings and outlined the implications for policy. The presentations were followed by open dialogue with policymakers, researchers and INCLUDE platform members. More than 60 people participated in the dialogue, including 10 senior officials from the Dutch Ministry of Foreign Affairs. Thirteen INCLUDE research groups were represented and the majority had updated their one-pagers with interim research findings and policy messages to facilitate the discussions.

The research-policy dialogue was held in response to a request by researchers and platform members for more detailed discussions on research results and their policy implications. It followed on from the discussions held during INCLUDE's [platform meeting in Zambia](#) in May 2016. The dialogue consisted of three parallel sessions with presentations and discussions on INCLUDE's overarching themes: '[Productive employment](#)', '[Strategic actors for inclusive development](#)', and '[Social protection](#)'. These three themes are at the heart of INCLUDE's knowledge agenda, which focuses on key aspects of inclusive growth and the elimination of extreme poverty in partner countries in Africa.

In her introduction, Isa Baud, chair of the [INCLUDE Steering Group](#), outlined the three sets of guiding policy questions for discussion in the parallel sessions:

Productive employment:

- What are the constraints faced by MNOs and dynamic entrepreneurs in realizing more productive employment?
- How can donors and policymakers help achieve more productive employment?

Social protection:

- What is more effective in promoting maternal health: vouchers, community-based health insurance (CBHI) or free maternity services?
- More generally, which intervention is the most effective in promoting inclusive development outcomes?

Strategic actors for inclusive development:

- Who has the power to realize more inclusive development (for sex workers, smallholder farmers, e.g. in global value chains, ethnic groups, and informal sector workers)?
- Do these specific groups have the power themselves or are there groups that support them?
- Do MNOs or businesses want to promote inclusiveness?
- What are the strategies used by marginal groups to keep the state at a distance?

The interim findings of each research project and their policy implications were discussed in one-hour parallel sessions. After a 20-minute presentation by each research group on the interim outcomes, an INCLUDE platform member and a policymaker from the Dutch Ministry of Foreign Affairs gave feedback on the policy implications and a project leader from another research group commented on any cross linkages. This was followed by a moderated discussion with the audience. The moderators were Marleen Dekker, Frank van Kesteren, Saskia Hollander and Karin Nijenhuis from the INCLUDE Secretariat and Rafael Guerreiro Osório from the International Poverty Centre for Inclusive Growth (UNDP) in Brazil.

Productive employment

Session 1: [Feeder road development \(Ethiopia\)](#)

Presenter: Frank van Steenbergen (MetaMeta, consortium partner)

Content of the presentation

The research project 'Feeder road development for inclusive productive employment', led by Maggie Leung, investigates specific ways in which road development in Ethiopia promotes productive employment through: direct employment in infrastructure construction, employment generated or changed due to improved mobility and access, and employment changed due to different water resource management options linked to the design of roads. Despite increased market access and new employment opportunities, the rural communities connected by new feeder roads remain largely a 'walking world', with feeder roads used mainly to obtain social services such as education and health. Local buses and cars are too expensive, so people use a three-wheeled vehicle (Bajaj) from India. Investing in roads is not enough to improve the livelihoods of the poor, who have few resources, entitlements and opportunities. Land lost to road construction can harm the environment (e.g. through dust, flooding, erosion), affecting agricultural production and livelihoods. The data does not suggest any clear link between road construction and improvements in equality.

Feedback

It is important to know which stakeholders are involved in making decisions on constructing roads: the government, donors, or the private sector. Also, the project needs to identify the short- and long-term consequences for employment and livelihoods among affected communities (how people are selected to work in road construction, displacement and compensation for relocated persons). Attention needs to be given to how roads affect local land rights, gender relations, youth employment and the environment. The governance of road construction, including the role of the Ethiopian government and donors and contractors, is relevant to finding ways to increase the positive external effects of new feeder roads.

Answers to the guiding policy questions

The high price of transport is an important constraint, which hinders dynamic entrepreneurs from realizing more productive employment. Policies should be developed to provide more affordable means of mobility. Donors and policymakers need to involve all stakeholders, particularly the local community, in the decision-making process for constructing roads, as well as associated projects. Environmental problems can be turned into assets through road water harvesting, the use of storage tanks with pumps for irrigation, and roadside tree planting, which can also provide productive employment opportunities for local people, particularly youth.

Session 2: [Empowering female Ugandan entrepreneurs \(Uganda\)](#)

Presenter: Henny Romijn (research project leader) and Giacomo Solano (researcher)

Content of the presentation

The research project 'Changing the mindset of Ugandan entrepreneurs: from muppets to gazelles' aims to contribute to socially inclusive development in eastern Africa by identifying and tackling key constraints on innovative entrepreneurship, especially among female entrepreneurs. It explores where opportunities for innovative entrepreneurship lie and identifies the assistance strategies that could effectively empower aspiring entrepreneurs to grasp these opportunities. The study considered the influence of individual characteristics (psychological traits) and social networks on female entrepreneurs in Uganda. In comparison to their male counterparts, female entrepreneurs generally have lower levels of start-up capital, less innovation, smaller businesses, smaller networks, fewer resources, less capacity for and knowledge about marketing, less product development and good packaging, more market constraints, and 'negative social capital' (an obligation to give money to family as part of reciprocal transfers and exchanges). Changing the mindset of these women is important to promote innovation and network development, which could break the poverty trap. The project tests, for example, interventions that by-pass middlemen, as well as a method of saving money in mobile phones so it can be hidden (e.g. from the women's husbands) and invested.

Feedback

The term poverty 'trap' is troubling as it suggests that the trap can be avoided, whereas, in reality, market limitations and poverty reflect structural constraints that exist in the economy and that cannot be removed by individual, micro-level interventions. Stimulating female entrepreneurship requires, among other things: the provision of effective services by resource centres; cooperation between the different stakeholders (local governments, private industry and civil society); the creation of more business-based networks to support women in their paid and unpaid work; and sensitizing and encouraging men/husbands and women's organizations to provide an enabling environment.

Answers to the guiding policy questions

Dynamic female entrepreneurs are constrained by their limited business capabilities, including lack of initiative and confidence, poverty, illiteracy, lack of marketing skills, and poor financial and technical resources. This is compounded by their restricted time for work, as women are also responsible for unpaid care work in the house. Donors and policymakers could use existing resource centres to provide appropriate training and support female entrepreneurs to move up the value chain, while also encouraging men to support female entrepreneurship, for example, through gender training. Different interventions are required for specific target groups, such as poor and slightly less poor female entrepreneurs. Only a few female entrepreneurs will actually turn into gazelles who are able to generate employment for others.

Session 3: [Productive employment in segmented markets \(Kenya\)](#)

Presenter: Remco Oostendorp (researcher)

Content of the presentation

This research on 'Productive employment in segmented markets of fresh produce in Kenya', which is headed by Jane Mariara, investigates the segmentation of the avocado sector in Kenya by comparing modern and innovatively programmed value chains with more traditional, non-programmed modes of farming. The programmed value chain for avocado exports is characterized by direct links between the exporters and small-scale farmers through contracting and cooperatives. The non-programmed value chain is characterized by brokers buying produce directly from small-scale farmers who sell poor quality and low-yield products. The survey found that producers in the programmed chain benefit from better information, training, production, investment, productivity, income stability, income, employment and work satisfaction. At the same time, like the non-programmed farmers, they experience problems due to the governance of cooperatives, delays in payments, increased transport costs, uncertainty about rejection rates, and lack of negotiating power and market information.

Feedback

Using mixed method research results (including anthropological research to supplement the econometric analysis) to deconstructing the 'smallholder farm' and compare their practices with medium and large-scale farms can shed light on livelihood strategies. Research should look at the gender division of work and the distribution of resources at the local level, while identifying 'telephone farmers' (absentee farmers who live elsewhere and manage their farms by phone) for whom farming has little significance in their lives. While cooperatives are part of the programmed value chain, they are also a way to provide access to certification and markets for those in the non-programmed chain. However, there is a need to recognize that these are 'political' organizations controlled by actors with certain interests and are often afflicted by governance issue.

Answers to the guiding policy questions

Constraints such as lack of training, information, organization and credit for smallholder farmers hinders dynamic entrepreneurship from creating productive employment in this sector. MNOs, donors and policymakers should develop effective policies that move smallholder farmers up the value chain by removing the constraints, providing effective business-oriented training, and establishing stronger links between companies and small farmers. Different sized farms require specific and appropriate interventions and affordable individual certification should be considered.

Session 4: [Multinational businesses in Africa \(Kenya/Nigeria\)](#)

Presenter: Chibuikwe Uche (research project leader)

Content of the presentation

The research project 'Dutch multinational businesses, Dutch government and the promotion of productive employment in Kenya and Nigeria' aims to investigate the policies adopted by Dutch multinational companies (MNCs), as well as by their home and host governments, to identify the conditions that enable the transfer of skills and the integration of local businesses into international value chains. The promotion of productive employment through the use of local raw materials has been hampered by inconsistent and unclear government policies, the insurgency in Nigeria and corruption. Heineken adopted tactics to limit exposure to risks, while the 'real stakeholders' were marginalized by 'political jobbers' (those who pretend to be farmers and talk on behalf of farmers for their own political reasons) and 'rent seekers' (bureaucrats who seek bribes or payments from farmers). Transfer pricing, as well as insufficient knowledge and inadequate physical infrastructure, have limited the involvement of local companies in the value chains of MNCs.

Feedback

Comparing Heineken's activities in Nigeria with its involvement in other countries, like Rwanda and Burundi, could prove useful in theorizing how and why Heineken intervenes in different countries. Analysing the role of all relevant actors in an in-depth value chain case study would allow us to understand the practices of power and inclusion at different levels, while flagging other issues that have contributed to problems in Nigeria.

Answers to the guiding policy questions

MNCs and dynamic entrepreneurs are constrained by their limited scope from intervening in local political power relations and providing the 'real stakeholders' with opportunities for productive employment and better integration into the global value chain. Donors, policymakers and MNCs need to search for effective incentives and practices (such as local forums) to influence host governments to increase the use of local raw materials and productive employment in the sector, while developing targeted interventions for different actors along the value chain.

Strategic actors for inclusive development

Session 1: [Agricultural partnerships \(Ghana\)](#)

Presenters: Annemarie van Paassen (research project leader) and Liesbeth Dries (researcher)

Content of presentation

The research project 'Partnership arrangements as strategic action for inclusive development: practices and outcomes' looks at how partnerships in certain agricultural value chains in Ghana (the export chain for cocoa and informal food chains for cassava and soybeans) can be orchestrated to create an effective and sustainable framework for inclusive development. At the beginning of project-based partnerships for value chain development it is easy to get partners (including business actors) involved in articulating the project. However, when it comes to implementation, it is difficult to keep partners engaged and mobilize partners for action. Different types of collaborative arrangements were studied. It was found that, while private actors can be hesitant to join uncertain multi-stakeholder knowledge sharing platforms set up by researchers, they are more comfortable forging partnerships with NGOs and donors as they usually seek to create substantial impact with clear contractual commitments. It was also found that collaborative partnerships in export and food chains have resulted in improved knowledge and the adoption of agronomic practices for smallholders. But differences exist between the two chains: food chains focus on increasing productivity (high-yielding varieties) and market access, whereas the export chain focuses more on benefit-sharing (pricing, more efficient and transparent service delivery) and value creation (fair trade/UTZ certification).

Feedback

The research findings are interesting, but difficult to interpret. What are possibilities for scaling up these experiences? It was suggested to add more about the country context. It is not clear what 'inclusiveness' means in these chains and why it differs for food and export chains. It is suggested to focus the policy messages to target different policymakers (actors), e.g. messages on inclusiveness should be target at the government. The steps to follow are: identify the actors, identify what is important for whom, and create an enabling environment.

Answers to the guiding policy questions

It is important to look at power dynamics, i.e. how partnerships are mobilized. For the cocoa sector, the government has the power to realize more inclusive development. However, multinationals also have the power to make a difference. NGOs working on farming improvement should not be overlooked either.

Session 2: [Inclusive business strategies in Africa \(East Africa\)](#)

Presenter: Rob van Tulder (research project leader)

Content of presentation

The research project 'How can inclusive business strategies contribute to inclusive development in Sub-Saharan Africa?' explores how Dutch and local businesses in six east African countries (Ethiopia, Kenya, Uganda, Rwanda, Tanzania and Mozambique) can achieve inclusiveness with the involvement of non-market actors such as national governments, NGOs and local stakeholders. At the meso research level of analysis, what the country context implies in terms of the trust gaps and institutional voids (i.e. between the state, market and civil society) was investigated, as well as opportunities to fill these gaps with cross-sector partnerships and inclusive business strategies. This was done for three specific topics: inclusive finance, food security and partnering space. Significant differences were found in trust gaps in different countries and industries, which affects the potential space for partnering. Among the main findings are that: the most valued partners for inclusiveness are members of value chains, local government agencies, and educational institutes; grants and subsidies for inclusive businesses remain indispensable; inclusive businesses take up risky business ventures because of their aspiration to make contribute to society and, therefore, need special legal status that is different from purely profit-driven businesses; development banks (which traditionally focus on major projects and SME support) should provide tenured solutions targeting inclusive businesses; governments often intervene in markets with unintended (negative) consequences, which reinforces the general trust gap; for the storage phase of food chains, partnerships could produce new institutional forms that could enhance food security; the lack of information on partnerships is a major hurdle to make businesses inclusive; individuals in organizations play a

crucial role in making partnerships a success; and the management of expectations is important as it creates a shared vision and accounts for different timeframes (especially between government and business).

Feedback

For the Ministry of Foreign Affairs, the views of Dutch companies on inclusiveness are most interesting. What is the best way for the Dutch government to promote inclusive finance, e.g. does the provision of public funds allow for inclusive finance in rural areas? What are the opportunities for establishing partnerships with stakeholders in countries with authoritarian regimes, like Rwanda? Economic stability and economic sustainability are indeed key for inclusiveness. It is not clear why a special legal status is needed for inclusive businesses.

Answers to the guiding policy question

Partnerships (e.g. with the government and NGOs) have the potential to realize more inclusive development. The country context is very important in order to identify opportunities for partnerships for inclusive business. It is vital that the state creates an enabling environment that also allows for private sector-led initiatives.

Session 3: [Economic empowerment and sex work \(Ethiopia/Kenya\)](#)

Presenters: Naomi van Stapele (researcher) and Lorraine Nencel (research project leader).

Content of the presentation

The research project 'Creating opportunities? Economic empowerment, political positioning and participation of sex workers in Kenya and Ethiopia' looks at how sex workers in Kenya and Ethiopia can be supported by strategic actors to be economically empowered and how to make developments in the sector more inclusive. The economic empowerment of sex workers is greatly hampered by stigma (with different outcomes for male and female sex workers), as well as by the gap between policies/laws and practices regarding sex work. A greater understanding of people's 'money logic' is crucial to building economic empowerment programmes and can help counter the unintentional inequalities produced by such programmes. Money logic shapes how people relate to money. For example, money provided by an NGO may be perceived differently and, consequently, used differently by certain groups, than money from a savings and loan group. The project also found that the specific needs of community-based organizations (CBOs) and their often sensitive position in poor communities, need to be taken into account in interventions by the government and NGOs. Strategic actors (government officials, justice system agents, NGOs and sex workers' organizations) agree on the need for more horizontal partnerships to combat HIV/AIDS, but they all report encountering major obstacles. For example, there is a huge bias against the qualitative and experience-based knowledge of sex worker-led organizations. The research also found that morality politics (which manifest differently in Kenya and Ethiopia), affect the potential of sex workers' to organize, their political positioning, and how individual sex workers see themselves. This ultimately has a negative impact on their individual economic empowerment. Sex workers' organizations should be involved in policy dialogue on sex work.

Feedback

Money logic is a very interesting concept, which is also relevant to other research projects on economic empowerment (e.g. female entrepreneurs) and seems to be at the heart of the research findings. This could be elaborated on more. Donor money is often used to develop legal frameworks and policies, rather than advocate for changes in behaviour and attitudes. Policymakers agree that a 'one-size-fits-all approach' is not appropriate. The plea for the involvement of sex workers' organizations in the dialogue on sex work is considered useful. Decriminalizing sex work will lead to more visibility, which could have unintended negative consequences. How can this be done in a way that does not threaten sex workers?

Answers to the guiding policy question

For the economic empowerment of vulnerable groups such as sex workers it is crucial to understand the money logic of the specific groups involved. Economic empowerment interventions must be tailored to particular situations. Policy interventions will be more successful if sex worker-led organizations are included in the dialogue as equal partners in the process. More horizontal partnerships between strategic actors (officials, justice system agents, NGOs and sex workers' organizations) are needed to improve inclusive development for sex workers, but relationships are sensitive and have to be built carefully. Policies and programmes should take

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into account sex workers' money logic for their successful economic empowerment. However, changing the attitude of the public towards sex work and reducing the (self-)stigmatization of sex workers remains a major challenge, regardless of the existing policies and legal frameworks. Programmes and policies to improve the position of sex workers (e.g. by decriminalizing sex work) risk unintended reverse outcomes as sex workers would become more visible.

Social protection

Session 1: [Maternity fee waiver in Kenya](#)

Presenter: Chris Elbers (research project leader)

Content of the presentation

This study compares the impact and cost effectiveness of two social protection interventions in Kenya: Free Primary Care (FPC)/Free Maternal Care (FMC) and the Community Healthcare Plan (TCHP), which offers health insurance for dairy farmers in the informal sector. The key finding was that, due to significant overlaps in the packages and coverage offered by the interventions, the FPC/FMC interfered with the TCHP. Furthermore, TCHP enrollees had higher initial health expenditure, which dropped over time, while the FMC led to a reduction in the number of home deliveries and an increase in facility deliveries. Similarly, TCHP led to an increase in the use of antenatal care. However, both systems have challenges, for example, postponed payments to facilities under the FMC. To prevent overlaps, it is crucial to identify ongoing programmes and how they work before introducing new ones.

Feedback

This study is relevant because it addresses the Health Insurance Fund, an important instrument at the Dutch Ministry of Foreign Affairs, and may reduce gender inequality due to its focus on women. TCHP seems to be a private solution to a public problem and public-private partnerships may be key in this area. The central concern is whether cost recovery in private health systems could reach excluded groups. Policymakers think that cost recovery systems are more sustainable than systems that require constant government funding, yet it is difficult to establish the cost recovery of insurance in contexts with free healthcare. It would be useful to analyse the position of women in households and intra-household decisions, and how this affects the uptake of maternal health care services. By addressing the cost effectiveness of programmes, and linking this to inclusive development, the programmes could be compared using cost (public expenditure and out-of-pocket analysis), quality of care (preventive and curative), access by different groups including the very poor, targeting (reduction of leakage), sustainability, reliability, complementarity, and mortality rates.

Answers to the guiding policy question

The presentation did not make a cost effectiveness comparison of the programmes in a way that could help policymakers to know what to focus on. Due to the nature of the data available, it may not be easy to establish links to outcomes (such as a drop in the mortality rate), because the incidences are low and difficult to detect in relatively small samples. It is also difficult to look at targeting in the context of FMC or to attribute improved outcomes to the programme, because wellbeing has increased generally in the country. In addition, other factors, such as reaching a health facility in time, may be more important than health insurance. Going forward, the research group will compare the programmes on a scale based on several parameters, such as quality of care and cost, including out-of-pocket expenditure.

Session 2: [Social protection in the Afar region \(Ethiopia\)](#)

Presenter: Zeremariam Fre (research project leader)

Content of presentation

The research project 'Social protection for inclusive development in the Afar Region of Ethiopia (SPIDA)' seeks to evaluate the impact of social protection interventions in the Afar Region to ensure social security, enhance livelihoods and reduce economic problems. The preliminary results reveal three central features of the Productive Safety Net Programme (PSNP) and its implementation in the Afar region. First, implementation of the PSNP started much later in the Afar than in other parts of Ethiopia and was designed for a highland context, which makes it inappropriate for the pastoralists of the Afar. For example, the PSNP public works project focuses on soil and water conservation, not on Afar livestock reorientation. Asset building is yet to be implemented, because the implementers fear that people will default on repayments due to their religion (which does not approve of interest). Secondly, the capacity to implement the PSNP in the Afar is limited, partly because the region is expansive. Thirdly, women in the Afar are socially and culturally marginalized. In addition, due to extended drought, pastoralism is declining as a major source of livelihoods, with people diversifying into

sedentary farming and petty trade. There is also a deep-rooted tradition of reciprocity and solidarity between people in the Afar.

Feedback

The research group should elaborate on how the PSNP has been implemented in the Afar, including its coverage, how the components (transfers, productive assets, and livelihood diversification) are faring, and why they are inappropriate for the Afar. They should clarify outcomes that the study measures used, including whether or not the PSNP has enhanced people's voices, the programmes gender perspective, and its sustainability, including the role of the government in this. The research should also show the varied outcomes of the PSNP for youth, women and men and clarify whether or not leaders represent all groups and if there are tensions within groups over some groups not receiving support. Policymakers asked the research project to suggest appropriate interventions and outline how the PSNP can be modified for the Afar region. They also suggested that the research group explain whether or not it is possible to establish an integrated social protection scheme that combines formal and informal social protection strategies. Other aspects of the Afar, such as political alliances, ethnicity and history of service provision, are important in understanding inclusivity. The research needs to document government initiatives implemented to alleviate the challenges that the people face, such as mobile schools and mobile health centres. The study's focus on marginalized and discriminated groups is important for inclusive development. The cost of modifying the PSNP is also of interest to policymakers.

Answers to the guiding policy question

Context is important in the design and implementation of programmes. The research group will measure the outcomes of the PSNP, including implications for food security and assets (livestock).

Session 3: [Weather index insurance for Ethiopian farmers](#)

Presenter: Zenebe Gebreegziabher (researcher)

Content of the presentation

This study investigates whether or not weather index insurance (WII) can be a form of social protection and integrated cost effectively into existing PSNP (PSNP+WII) and Agricultural Input Coupons (PSNP+AICs). The study is in the preliminary stages and the presentation drew on the findings of an impact study on the Horn of Africa Risk Transfer for Adaptation (HARITA) project, conducted in the Tigray region of northern Ethiopia in 2015. From the study, uptake of WII in Ethiopia appears to be very low. Further, the mean comparison of sample rural households in treatment and control groups revealed that, in the medium term, the adoption of WII led to improvements in agricultural investment (such as the use of fertilizers and hybrid seeds), yield and access to finance. Similar studies in India and Ghana indicate that WII has strong potential for agricultural development, although weather variability and an incomplete insurance market may hinder its development.

Feedback

Policymakers suggested that the research establish the reasons for the low coverage and uptake of WII. The spatial resolution of WII needs to be clarified and households that have adopted WII disaggregated to understand its dynamics. The research should also seek to explain whether the good rains experienced this year would affect the baseline results gathered during the drought. Concerns about WII include whether or not there are farmers willing and able to adopt it, the complexity of WII for the poorest, its suitability for the poor and vulnerable, and the number of farmers who would need to take WII for it to be sustainable. Also, it would be useful to explain how WII compares to alternative strategies, such as drought resilience (disaster risk management). The research should suggest how social protection can move from 'protective' to become more 'productive' and identify the risks of the intervention and how they can be mitigated. It is also important to explain how to measure the cost effectiveness of WII and AICs and the implications of scaling up (or how to provide subsidies on a large scale). WII is relevant because it links safety nets, cash transfers and development activities. This presents a move away from more protective to promotive and productive forms of social protection. In this sense, it has the potential to offer a private solution to a public problem for the very poor. The central concern for policymakers is which of the two programmes would be more cost effective (PSNP+WII or PSNP+AICs).

Answers to the guiding policy question

The study is at the initial stages and, hence, is not able to respond to the guiding policy questions.

Session 4: [Social and health policies for inclusive growth \(SPHIG\) \(Kenya/Ghana\)](#)

Presenters: Nicky Pouw (research project leader) and Katja Bender (researcher)

Content of the presentation

This research project compared cash transfers (CTs) with social health protection policies (SHP) in Kenya and Ghana. The findings reveal that whereas, in Kenya, implementation has been slow and incremental, in Ghana, it is rapidly moving towards a universal approach. In Kenya, CTs started as isolated programmes, then moved towards integration to include universal health services. The political will to implement social protection is higher in Ghana than in Kenya. Ghana has formulated a strategy that integrates health and social protection. Overall, CTs seem to change the relationship between the government and its citizens. This is because of cash transfer politics, as governments have made social protection part of their campaign agenda, which has implications for sustainability. Furthermore, both countries have had their own challenges with the decentralization of social protection programmes and informal institutions, and there are constraints imposed by the health infrastructure and policies. Although CTs are invested in education, food, and medicine, they have not resulted in a noticeable reduction in monetary poverty. Formal health care utilization has gone up, often replacing traditional healers. At the community level, CTs are accompanied by jealousy and complaints of exclusion, increased family demands, and dependency on programmes.

Feedback

The research project should conduct a political economy analysis, examining the evolution of CTs, who influences the programmes, whether there is political will to bring about change, and the model on which formal social protection systems are built. It should also clarify the theory of complementarity employed in the analysis and how cost effectiveness is measured. It would be useful to link the outcomes of CT programmes to inclusive growth, especially in terms of effects on youth and women, and show the impact of CTs on nutrition. Some recommendations appear to focus on the impact on poverty, yet the transfers are too small to make an appreciable difference. Look at targeting to explain jealousy between beneficiaries and non-beneficiaries. Policymakers would find an explanation of the sustainability of the system useful, especially long-term financing and interactions between actors at the local level. In addition, the project could explore attitudes towards risks, preferences, and how beneficiaries use the money that they receive. Finally, the project should incorporate lessons learnt from Western models and explain the impact of CTs on intergenerational poverty.

Answers to the guiding policy question

Subsequent analysis will focus on the interaction effects of social policies, with a focus on health and nutrition, labour productivity, and education, and will include cost effectiveness analysis.

Session 5: [Social protection in Uganda](#)

Presenter: Franzisca Gassman (research project leader)

Content of the presentation

The research project 'Building the economic case for investment in social protection in Uganda' compares the cost effectiveness of the Expanding Social Protection (ESP) flagship programme and Social Assistance Grants for Empowerment (SAGE) to generate empirical evidence on how social transfers develop human capital, enhance household productive capacities, and improve local economic outcomes. Political will for social protection in Uganda is growing, but non-contributory schemes such as social insurance still lack sufficient funding and are seen as a cost. The government seeks to discontinue the Vulnerable Family Grant (VFG) while the Senior Citizen Grant (SCG) is limited in coverage, as only 7% of the population is eligible. Through micro-simulation, using national panel data on household income, school enrolment, child nutrition, and adult health, the study sought to establish causal relationships. Results show that social protection leads to an increase in household income, school enrolment, and educational attainment, a decrease in the number of sick days, and an improvement in child and adult health. Results also show that the effect is larger for the SCG than the VFG;

however, while the health returns are large, education returns need time to manifest and there may be other positive returns in the long run. These results are consistent with those in Lesotho and Cambodia.

Feedback

Policymakers suggested considering the equilibrium effects, establishing the local multiplier effect, and comparing the micro and macro effects of the programmes. They opined that it would also be useful to explain the extent to which the results depend on changes in infrastructure, and whether or not investment in education and health facilities is needed to make them accessible to everyone. Scale could also be considered in estimating returns. It would also be useful to know whether the focus on human capital should be from the supply or demand side. In addition, it would be useful to clarify the variables used because education and income variables are controversial. Policymakers would also find it useful to know the transmission channels from social protection to inclusive growth and development. The rate of return is large, which has implications for who will uptake the findings. However, transfers should not be seen solely as an investment, because if people are poor it is important that they consume and this is not a waste of funds. Disaggregated results for urban and rural areas and between target groups (men and women) may also be useful. It would be interesting to know if more education leads to extra income and the return per level of education. Policymakers wondered if the model could show whether or not return on education is effective in the long term. The focus on inclusion is important due to renewed interest in reaching the bottom of the pyramid. For donors, priorities need to be set because investments in (health and educational) infrastructure and social protection go hand-in-hand.

Answers to the guiding policy question

Investing in poor and vulnerable people improves human capital, and social protection should be part of the government's overall investment agenda. The decision to abolish the VFG might not be wise from a business perspective, because it offers more value for money than other forms of social protection.

Session 6: [Social protection through maternal health programmes \(Kenya\)](#)

Presenter: Stephen Okumu (researcher)

Content of the presentation

The research project on 'Inclusive growth through social protection in maternal health programmes in Kenya', led by Sonja Merten, aims to compare the cost effectiveness of the maternity voucher system with the free maternity services scheme (taxation-based funding) in Kenya. Interim findings show that wealthier middle-class women benefit most from free maternity services as well as from the voucher system. And, although the poorest (i.e. young and unmarried) women access free maternity services to some extent, they are not reached at all by the voucher system, which is targeting them, as, being illiterate, they do not know how to make use of a paper voucher. The free maternity services programme is also not widely used by the poorest, because it does not cover additional costs (e.g. laboratory costs). Gender relations in households play a role in the use of these programmes as women often need their husbands' permission to access health services. Mobilizing resources often takes the poor too much time, resulting in the loss of the child (or the mother). Moreover, due to the mismanagement of funds (devolution of corruption), county governments have not created the additional space and medical staff needed in health centres, which has put the quality of (public) health care under pressure. Hence, a policy recommendation is to mobilize resources to ensure an adequate level of quality services, without externalizing costs to the users of free maternity services.

Feedback

In relation to the policy recommendation, policymakers asked: To whom is the policy message addressed? There is also a discrepancy between the research questions, which is about the financial aspects of health systems, and the recommendation, which is about the supply of health care. A clear outline is needed as to who should be targeted by vouchers and how to identify and engage with these target groups. Practices in Mali and Mozambique include the use of new technology, i.e. texting the poor. However, this may not work for the poorest in Kenya, as they do not use mobile phones. Additional research into the trading of vouchers is needed. Health insurance systems also do not seem to be an option for the poorest, as they cannot afford to pay the premiums. The quality of public health care in Kenya is deplorable. It should be noted that the middle class may push the poor aside in

free or subsidized health care schemes when the quality of care increases, as research in Indonesia has shown. About the effectiveness of the schemes: It is not clear if 'effectiveness' refers to cost effectiveness or to outcomes (e.g. attended deliveries, human lives saved). And, if cost effectiveness is intended, a methodological problem arises in terms of measurement: the two specific policies studied are of rather recent date, while cost effectiveness analysis requires a longer timeframe (at least 10 years). It is also not clear if cost effectiveness is assessed at the household or individual level.

Answers to the guiding policy question

In Kenya, free maternity systems are more expensive than the voucher system, but neither scheme (particularly the voucher system) reaches the poorest women, who cannot pay health insurance premiums either. The effectiveness of the different systems in promoting inclusive development outcomes very much depends on political and economic institutional contexts.



Closing session

In the closing session, the INCLUDE Steering Group chair, Isa Baud, highlighted the three main INCLUDE themes (productive employment, strategic actors for inclusive development and social protection) and the unique and interactive way in which INCLUDE research projects are organized, with stakeholders and end users being involved in the design phase and in all stages of the research. She also highlighted the connections between the three main INCLUDE themes, which are becoming increasingly apparent, particularly between entrepreneurship and productive employment and the employment dimensions of social protection interventions. Lastly, she discussed power inequalities and the way that the vulnerable are represented at the government level or, conversely, dissociate from the state in order to protect their own identity.

A comprehensive outline of the findings for the three themes was presented by Annemarie van de Vijzel, Peter van Bergeijk and Obadia Miroro (all from the INCLUDE Secretariat) and can be found [here](#).

Appendix 1: Outline

How to make development policies in Africa more inclusive? A research-policy dialogue

Date and time: Friday, 30 September 2016

Venue: Leiden University, Pieter de la Court Building, Wassenaarseweg 52, Leiden, Room 1A.01

Time: 8.45-17.30, followed by drinks

Background

During the INCLUDE platform meeting in Zambia last May, the interim findings and policy implications of the 17 INCLUDE research projects were presented and discussed with platform members. The resulting discussions were interesting and sometimes challenging, yet all participants (researchers and platform members) indicated that more time was needed for more detailed discussion and meaningful feedback on the results and policy implications, as well as for informal exchange. In addition, platform members have requested a process in which policy recommendations are jointly defined, not by researchers in isolation, but in a true dialogue with policy stakeholders. In the twilight zone between research results and policy making, questions arise, such as: How can interim findings provide answers to existing policy questions? And, what additional knowledge is needed?

In response, INCLUDE has scheduled an entire day on Friday, 30 September for researchers to present the (updated) interim findings of their research projects in more detail. Based on these findings, a joint and open dialogue on policy implications will then take place with policy stakeholders. Invited policy stakeholders are Dutch platform members and senior officials from the Netherlands Ministry of Foreign Affairs who work on inclusive development issues. Researchers from the other groups will provide input on policy-relevant cross-linkages with their own project. A synthesis of the discussions will serve as input for current and upcoming INCLUDE activities, as well as INCLUDE's knowledge base.

INCLUDE's knowledge agenda

INCLUDE's overarching theme is: Making Development in Africa More Inclusive. Three sub-themes have been identified that focus on key aspects of inclusive growth and the elimination of extreme poverty in African partner countries: productive employment, strategic actors for inclusive development, and social protection.

- **Productive employment:** This theme aims to support research on productive employment in partner countries in Sub-Saharan African and stimulate a research-supported dialogue on employment promoting policies.
- **Strategic actors for inclusive development:** This theme investigates the role that strategic actors (actors with the [potential] power to overcome political obstacles to change) can play in implementing policies that favour long-term inclusive development.
- **Social Protection:** This theme aims to provide insights into the cost effectiveness of social protection interventions in achieving inclusive growth, compared to other social policies with the same objective.

Structure of the day

In three parallel sessions and five consecutive rounds, the interim findings and policy implications of each research project will be discussed for one hour. After a 20-minute presentation by the research group on the interim findings, a platform member and policymaker will give feedback on the policy implications and a project leader of another research group will give feedback on any cross-linkages. This will be followed by a moderated discussion with the audience.

The guiding policy questions for the discussion in the parallel sessions are as follows:

Productive employment:

- What are the constraints faced by MNOs and dynamic entrepreneurs in realizing more productive employment?
- How can donors and policymakers help achieve more productive employment?

Social protection:

- What is more effective in promoting maternal health: vouchers, community-based health insurance (CBHI) or free maternity services?
- More generally, which intervention is the most effective in promoting inclusive development outcomes?

Strategic actors for inclusive development:

- Who has the power to realize more inclusive development? (for sex workers, smallholder farmers e.g. in global value chains, ethnic groups, and informal sector workers)
- Do these specific groups have the power themselves or are there groups that support them?
- Do MNOs or businesses want to promote inclusiveness?
- What are the strategies used by marginal groups to keep the state at a distance?

Researchers will be invited, based on the literature review, to reflect on the relevance of their findings in a broader context, both regionally and thematically. For example, to what extent are the findings on Dutch flower farms in Kenya also relevant to Ethiopia (different country) or to Dutch manufacturing companies in Kenya (different sector)?

Participants are invited to create their own day programme (depending on their area of interest) by switching between the thematic parallel sessions throughout the day. There will be 15 minute coffee breaks between the consecutive rounds to allow for participants to change rooms. Plenty of time has been scheduled for informal exchange.

Research groups will be represented by their project leader or suitable representative. Research group members in the Netherlands are also most welcome to participate.

Appendix 2: Programme

How to make development policies in Africa more inclusive? A research-policy dialogue

08.45-09.15 Arrival and registration (Room 1A.01)

09.15-09.30 Welcome and opening by Isa Baud, Chair of INCLUDE Steering Group (Room 1A.01)

09.30-17.00 Break-out sessions: presentation of research findings and dialogue with policymakers

Research theme	Strategic actors	Social protection	Productive employment
Room	1A.37	0A.33	1A.01
Moderator	Karin Nijenhuis	Frank van Kesteren	Marleen Dekker
09.30-10.30	Round 1		
	Agricultural partnerships (Ghana) Project leader: Annemarie van Paassen Panel MFA: Otto Genee INCLUDE: Dennis Arends RC: Rob van Tulder	Maternity fee waiver in Kenya (Kenya) Project leader: Chris Elbers Panel MFA: Louise Anten INCLUDE: Nicholas Awortwi RC: Stephen Okumu	Feeder road development (Ethiopia) Project leader: Maggi Leung Presentation: Frank van Steenbergen Panel MFA: Anouk Baron INCLUDE: Roel van der Veen RC: Zenebe Gebreegziabher
10.45-11.45	Round 2		
	Inclusive business strategies in Africa (East Africa) Project leader: Rob van Tulder Panel MFA: Otto Genee INCLUDE: Roel van der Veen RC: Annemarie van Paassen	Social protection in the Afar region (Ethiopia) Project leader: Zeremariam Fre Panel MFA: Anke van Dam INCLUDE: Nicholas Awortwi RC: Morag Goodwin	Empowering female Ugandan entrepreneurs (Uganda) Project leader: Henny Romijn Panel MFA: Louise Anten INCLUDE: Isa Baud RC: Lorraine Nencel
12.00-13.00	Round 3		
		Weather insurance for Ethiopian farmers (Ethiopia) Project leader: Alex Wong Presentation: Zenebe Gebreegziabher Panel MFA: Wilma van Esch INCLUDE: Harrie Oostingh RC: Frank van Steenbergen	Productive employment in segmented markets (Kenya) Project leader: Jane Mariara Panel MFA: Melle Leenstra INCLUDE: Erwin Bulte RC: Chibuike Uche

13.00-14.30 Lunch in FSW restaurant (ground floor) and group photo

Research theme	Strategic actors	Social protection	Productive employment
Room	1A.37	OA.33	1A.01
Moderator	Saskia Hollander	Rafael Guerreiro Osório	Marleen Dekker
14.30-15.30	Round 4 Economic empowerment and sex work (Kenya/Ethiopia) Project leader: Lorraine Nencil <u>Panel</u> MFA: To Tjoelker INCLUDE: Dennis Arends RC: Henny Romijn	Social and health policies for inclusive growth (SPHIG) (Kenya/Ghana) Project leader: Nicky Pouw <u>Panel</u> MFA: Anouk Baron INCLUDE: Robert-Jan Scheer RC: Franziska Gassmann	Multinational businesses in Africa (Kenya/Nigeria) Project leader: Chibuïke Uche <u>Panel</u> MFA: Melle Leenstra INCLUDE: Roel van der Veen RC: Jane Mariara
15.45-16.45	Round 5 Social protection through maternal health programmes (SP; Kenya) Project leader: Sonja Merten Presentation: Stephen Okumu <u>Panel</u> MFA: To Tjoelker INCLUDE: Robert-Jan Scheer RC: Nicky Pouw	Social protection in Uganda (Uganda) Project leader: Franziska Gassmann <u>Panel</u> MFA: Wilma van Esch INCLUDE: Erwin Bulte RC: Chris Elbers	

17.00-17.30 Closing session, moderated by Isa Baud (Room 1A.01)

17.30-19.00 Drinks (Room 3A.06)

Appendix 3: List of participants

	Surname	Name	Institution	Email
1	Abbink	Jan	ASC	g.j.abbink@asc.leidenuniv.nl
2	Akinyoade	Akinyinka	Research consortia	a.akinyoade@asc.leidenuniv.nl
3	Alblas	Anne	MFA	anne.alblas@minbuza.nl
4	Anten	Louise	MFA	lm.anten@minbuza.nl
5	Antunes	Eléasara	MFA	eleasara.antunes@minbuza.nl
6	Arends	Dennis	INCLUDE platform	Dennis.Arends.Consulting@outlook.com
7	Awortwi	Nicholas	INCLUDE platform	awortwi@pasgr.org
8	Azeb	Amha	ASC	a.amha@asc.leidenuniv.nl
9	Baron	Anouk	MFA	anouk.baron@minbuza.nl
10	Baud	Isa	INCLUDE platform	I.S.A.Baud@uva.nl
11	Bender	Katja	Research consortia	katja.bender@h-brs.de
12	Bergeijk, van	Peter	INCLUDE secretariat	bergeijk@iss.nl
13	Besugo	Pedro	Research consortia	pedro.besugo@nabc.nl
14	Blomsma	Trudi	ASC	t.blomsma@asc.leidenuniv.nl
15	Brink, van den	Amelie	Student of African studies	amelievandenbrink@gmail.com
16	Bulte	Erwin	INCLUDE platform	Erwin.Bulte@wur.nl
17	Buzasi	Katalin	Research consortia	k.buzasi@aiid.org
18	Dam, van	Anke	MFA	anke-van.dam@minbuza.nl
19	Dekker	Marleen	INCLUDE Secretariat	m.dekker@asc.leidenuniv.nl
20	Dijk, van	Han	NWO-WOTRO	h.vandijk@nwo.nl
21	Dries	Liesbeth	Research consortia	liesbeth.dries@wur.nl
22	Elbers	Chris	Research consortia	c.t.m.elbers@vu.nl
23	Esch, van	Wilma	MFA	wilma-van.esch@minbuza.nl
24	Fre	Zeremariam	Research consortia	z.fre@ucl.ac.uk
25	Gassman	Franziska	Research consortia	franziska.gassman@maastrichtuniversity.nl
26	Gebreegziabher	Zenebe	Research consortia	zenebeg2002@yahoo.com
27	Genee	Otto	MFA	oth.genee@minbuza.nl
28	Giordano	Margherita	Research consortia	M.Giordano@uva.nl
29	Goodwin	Morag	Research consortia	m.e.a.goodwin@tilburguniversity.edu
30	Gouwenberg	Anna	Knowledge Platform on Security & Rule of Law	a.gouwenberg@kpsrl.org
31	Heijs	Rebecca	ASC	r.t.heijs@asc.leidenuniv.nl
32	Heuvel, van den	Henk	VU	j.h.m2.vanden.heuvel@vu.nl
33	Hollander	Saskia	INCLUDE Secretariat	saskia@thebrokeronline.eu;
34	Hoogenboom	Joost	Student of African studies	joost.hoogenboom@outlook.com
35	Hoorweg	Jan	ASC	jchoorweg@gmail.com
36	Kesteren, van	Frank	INCLUDE Secretariat	frank@thebrokeronline.eu
37	Kurian	Rachel	INCLUDE Secretariat	kurian@iss.nl
38	Lange	Paul	ASC	p.lange@asc.leidenuniv.nl

39	Lashitew	AA	Research consortia	lashitew@rsm.nl
40	Leenstra	Melle	MFA	melle.leenstra@minbuza.nl
41	Lijfering	Siri	Research consortia	lijfering@rsm.nl
42	Mariara	Jane	Research consortia	jane.mariara@gmail.com
43	Miroro	Obadia	INCLUDE Secretariat	Obadia.Miroro@aercafrica.org
44	Mullens	Sebastiaan	Student of African studies	sebastiaanmullens@gmail.com
45	Nencel	Lorraine	Research consortia	l.s.nencel@vu.nl
46	Nigten	Vanessa	Food & Business Knowledge Platform	vanessa.nigten@knowledge4food.net
47	Nijenhuis	Karin	INCLUDE Secretariat	c.t.nijenhuis@asc.leidenuniv.nl
48	Ogbuagu	Ekumankama	Research consortia	ooekums@gmail.com
49	Okumu	Stephen	Research consortia	sokumu2@googlemail.com
50	Oostendorp	Remco	Research consortia	r.oostendorp@vu.nl
51	Oostingh	Harrie	INCLUDE platform	Harrie.Oostingh@oxfamnovib.nl
52	Osório	Rafael Guerreiro	International Poverty Centre for Inclusive Growth (UNDP)	rafael.osorio@ipea.gov.br
53	Oudenhuijsen	Loes	Student of African studies	loesoudenhuijsen@gmail.com
54	Paassen, van	Annemarie	Research consortia	annemarie.vanpaassen@wur.nl
55	Petit	Gitty	ASC	g.petit@asc.leidenuniv.nl
56	Pouw	Nicky	Research consortia	N.R.M.Pouw@uva.nl
57	Pradhan	Menno	Research consortia	m.p.pradhan@vu.nl
58	Rijper	Alies	Knowledge Platform on Security & Rule of Law	a.rijper@kpsrl.org
59	Romijn	Henny	Research consortia	H.A.Romijn@tue.nl
60	Rooks	Gerrit	Research consortia	G.Rooks@tue.nl
61	Scheer	Robert-Jan	INCLUDE platform	robert-jan.scheer@minbuza.nl
62	Sleurink	Eline	Student of African studies	eline.sleurink@gmail.com
63	Solano	Giacomo	Research consortia	G.Solano@tue.nl
64	Stapele, van	Naomi	Research consortia	naomi2908@gmail.com
65	Steenbergen, van	Frank	Research consortia	fvansteenbergen@metameta.nl
66	Tjoelker	To	MFA	To.Tjoelker@minbuza.nl
67	Tulder, van	Rob	Research consortia	rtulder@rsm.nl
68	Uche	Chibuike	Research consortia	c.u.uche@asc.leidenuniv.nl
69	Veen, van der	Roel	INCLUDE platform	Roel-vander.veen@minbuza.nl
70	Veldkamp	Fenneken	ASC	f.veldkamp@asc.leidenuniv.nl
71	Verberne	Frans	Food & Business Knowledge Platform	frans.verberne@knowledge4food.net
72	Verschoor	Maria	NWO-WOTRO	m.verschoor@NWO.NL
73	Vijssel, van de	Annemarie	INCLUDE Secretariat	annemarie@thebrokeronline.eu
74	Vu	Hien Thu	Research consortia	vuthihienthu.ueb@gmail.com
75	Westra	Maaïke	ASC	m.a.westra@asc.leidenuniv.nl
76	Winden, van	Marieke	ASC	m.c.a.van.winden@asc.leidenuniv.nl

INCLUDE



INCLUDE PLATFORM

W: www.includeplatform.net
T: +31 (0) 71 527 6602
E: info@includeplatform.net